

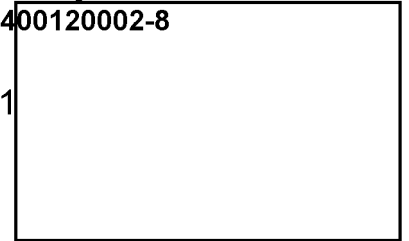


Director of
Central
Intelligence

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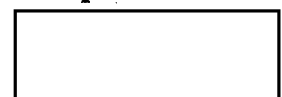


National Intelligence Daily (Cable)

14 May 1979

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BRIEFS AND COMMENTS

FRANCE: Communist Party Congress

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The 23rd Congress of the French Communist Party, which ended yesterday, ratified the party's break with the Socialist Party and ruled out any programmatic alliance for the indefinite future. The party has returned to orthodox policies, renewed its traditional reliance on workers, and abandoned the idea of participation in government. Communist Party leader Georges Marchais, who was reelected to that post yesterday, criticized Stalinism in a marathon speech, but concluded that the record of Soviet-style socialism was positive. This conclusion, one of the main resolutions voted on at the congress, was undoubtedly gratifying to the Soviet delegation, which had heard much harsher criticism at the party's congress in 1976.

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//The left will therefore remain divided, probably at least through the first round of the presidential election in 1981, although Marchais spoke vaguely of union (that is, unofficial cooperation) at the grass-roots level. The Communists believe the union of the left benefited the Socialists at Communist expense and confused the workers.

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//The party did not permit dissenting party intellectuals to attend the congress, and they failed to agree on a plan to hold a parallel congress, in part because of fear the party would retaliate. The party has apparently decided not to expel any of the dissenters, who have only limited support in the party.

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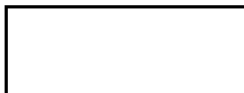
USSR-HUNGARY: Reported Brezhnev Visit

We are unable to confirm reports that Soviet President Brezhnev will soon visit Hungary. Last week a Hungarian official told the US Ambassador in Budapest that the Soviet leader will arrive "at an early date," assertedly before the US-Soviet summit. A trip by Brezhnev to Hungary has long been expected, but one soon would be surprising in light of the Soviet President's known health problems and the need to prepare for the scheduled summit in Vienna. Hungarian party chief Kadar visited Moscow in early March of this year and apparently took care of outstanding matters affecting Soviet-Hungarian relations.

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SPECIAL ANALYSES

ALGERIA: Continuity and Change

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The three-month-old government of Algerian President Chadli Bendjedid has generally continued the domestic and foreign policies of former President Boumediene. There are tentative signs that Bendjedid will take a less doctrinaire approach to important issues, but he seems unlikely to initiate fundamental changes any time soon. The government reaches key decisions by consensus in the cabinet and perhaps the faction-ridden politburo of Algeria's sole political party, the National Liberation Front. Political disputes in the politburo constrain Bendjedid's flexibility and inhibit policy departures.

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//The new President does not have Boumediene's unchallenged authority. [redacted] Bendjedid was a compromise choice of the senior military officers who are Algeria's principal power brokers. Bendjedid stayed out of political infighting while he was Second Military Region Commander in Oran from 1964 through 1978; this presumably aided his selection, but his prolonged isolation in Oran also raises questions about the extent of his support among politicians and military officers from eastern Algeria. [redacted]

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Like his predecessor, Bendjedid has a mix of military men and civilian technocrats in his cabinet; politically ambitious ideologues and nonsubstantive dilettantes are largely confined to the party politburo. The new cabinet seems stronger than its predecessors. For example, Prime Minister Abdelghani, who retains the sensitive interior portfolio, is an effective administrator and has been granted considerable control over government administration. [redacted]

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The party politburo probably sets broad policy guidelines. Leftists led by party coordinator Yahiaoui--a

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hardline socialist ideologue who still wields some influence--will act as a brake on any inclination by Bendjedid and other pragmatists in the cabinet to change Algeria's domestic and foreign policies. [REDACTED]

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Competition within the leadership--and with it, rule by consensus--is likely to continue for some time. It took a month for Bendjedid to put together his cabinet. He left vacant the key posts of minister of defense and armed forces chief of staff, probably because of the inability of the country's power brokers to agree on nominees. [REDACTED]

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A dominant figure will emerge eventually--as it did with Boumediene, who took three years to eliminate his major political rivals--but Bendjedid may not be the ultimate winner. He appears pragmatic and apparently has few enemies, but he enjoys a Western lifestyle and lacks the strong Arabist credentials that have been a principal requirement for leadership in Algeria. Abdelghani, with his key portfolios and presumed Army ties as a former military region commander, is a potential rival or replacement. [REDACTED]

Political infighting will most likely be played out behind the scenes and not lead to civil disorder. Algeria has had its revolution, and the people have no illusions about the government's willingness to use force to maintain order. A strongman is likely to emerge by gradually lining up the support of key military officers rather than through an open power play. [REDACTED]

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Domestic Policy Adjustments

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The new government is lifting some unpopular controls over personal life and private business. Exit permits are no longer required of Algerians traveling abroad. The government apparently has released two political leaders of the preindependence era from house arrest. Rumors are circulating that small businessmen and apartment dwellers will be able to buy the premises they have been renting from the government and that travelers will soon be allowed to take larger amounts of currency abroad. [REDACTED]

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There are tentative signs of a reassessment of the rigid economic centralization of the Boumediene era, and there may be limited retrenchment in the industrial sector. In recent speeches, Bendjedid has proposed a shift of emphasis to satisfy popular demands by increasing productivity in the long-neglected agricultural sector, expanding the housing program, and by decentralizing authority to enable more efficient execution of government programs. The government has not disavowed socialism or industrialization, but there is likely to be more flexibility in government planning and greater emphasis on completing existing projects and using them more efficiently before undertaking new ones. [REDACTED]

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Algeria will continue to produce as much oil and gas as possible to finance its development program and will seek price increases that keep pace with inflation. Although Algeria faces some debt-servicing and cash-flow problems, its long-term economic prospects are good. [REDACTED]

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Foreign Policy

Algeria under Bendjedid probably will be less of an international leader on Third World issues, but it will continue to promote the cause of the guerrillas of Western Sahara. Rivalry with Morocco for preeminence in North Africa will continue to be the main feature of Algerian foreign policy. This competition is the principal motive for Algeria's involvement in Western Sahara. [REDACTED]

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//The Algerians probably are now less disposed to compromise with Morocco than they were a year or so ago.

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[REDACTED]

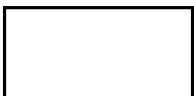
Algeria's hardline Middle East policy remains constant, as evidenced in Algerian condemnation of the Egyptian-Israeli peace treaty. The Algerians are cooperating with--but not leading--Arab hardliners who call for sanctions against Egyptian President Sadat. [REDACTED]

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//The new leaders appear to desire more balance in relations with the superpowers. They may be more receptive to US demarches on non-Arab issues and will continue to display interest in US technology, expertise, and financing. As they have in the past, the Algerians will express agreement with Soviet views when there is a coincidence of interests and will retain their arms supply relationship with the USSR.//



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UNITED NATIONS: Disarmament Commission Convenes

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The UN Disarmament Commission convenes today for its first substantive session since 1965. The nonaligned states, which had pushed for resurrection of the Commission, will take the lead in organizing its work. The Commission is charged by the UN General Assembly with considering the "elements" of a comprehensive program for disarmament, but otherwise its role is uncertain. Although a good working atmosphere has prevailed during preliminary discussions, the four-week session will reveal sharp differences over how far the Commission should go in elaborating the comprehensive program.

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The original Disarmament Commission was created in 1952 and fell into disuse in the early sixties. At its Special Session on Disarmament last year, the UN General Assembly established the present Commission as a deliberative body composed of all UN members. Apart from the comprehensive program for disarmament, it is charged with making recommendations on "various" disarmament problems and following up the decisions of the Special Session. In two brief organizational meetings last fall, the Commission adopted a provisional agenda and chose as chairman the Indian diplomat M. A. Vellodi.

Comprehensive Program

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The smaller Committee on Disarmament in Geneva had considered a comprehensive program for disarmament but had made scant progress when the Special Session was held. Vellodi intends to devote the first two weeks of the present session to the subject.

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The nonaligned states want the Commission to negotiate a "framework" for a comprehensive program that would indicate priorities among disarmament measures and a schedule for their implementation.

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Western governments--probably with the support of the USSR and its allies--will argue that the Commission is not empowered to negotiate, only to deliberate and advise, and that it should only list its disarmament objectives and principles.

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Other Topics

//The provisional agenda includes "consideration of various aspects of the arms race, particularly the nuclear arms race and nuclear disarmament." This sweeping wording is a compromise between those Western countries that wanted the agenda to mention conventional arms and the nonaligned states, which preferred to focus more narrowly on nuclear weapons. Several West European governments want to discuss conventional arms transfers in particular.//

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The other issues on the agenda are the reduction of military budgets and the reallocation of resources from military purposes to social and economic development. The USSR has previously offered proposals for reducing military budgets and may use this opportunity to do so again. The connection between disarmament and development is a favorite nonaligned theme and will likely receive much attention in plenary debates.

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Relation to Other Forums

//How member states use the Disarmament Commission will depend heavily on progress in other disarmament forums. The achievement of consensus at the Special Session will tend to make this first meeting of the Commission less acrimonious than it otherwise would be. The nonaligned states are generally dissatisfied, however, with the session of the Committee on Disarmament that recessed two weeks ago. They may be joined by some Western states in criticizing the superpowers' failure to present a draft chemical weapons agreement at that session.//

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With its broader membership and an Indian chairman, the Commission has a more nonaligned cast than the Committee on Disarmament. Because of this, the nonaligned

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group will try to expand the Commission's functions and to blur the distinction between deliberation and negotiation. [REDACTED]

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//China will also tend to favor a large role for the Commission. Beijing believes that the Committee on Disarmament, despite recent reforms, is still tainted by superpower domination, and China therefore has not taken its seat in Geneva. France has ended its boycott of the Committee but has indicated that nuclear disarmament is, at this stage, more appropriately debated in the Commission.// [REDACTED]

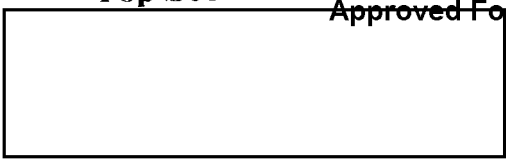
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